

## Message Text

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ACTION IO-14

INFO OCT-01 ISO-00 AF-10 ARA-14 EA-12 EUR-12 NEA-11  
EB-08 AID-05 STR-07 COME-00 LAB-04 TRSE-00 OES-07  
HA-05 L-03 /113 W  
-----097843 240929Z /14

R 240905Z MAY 78

FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6514

UNCLAS SECTION 01 OF 02 VIENNA 04753

UNIDO

E.O. 11652:N/A

TAGS: OCON, UNIDO

SUBJECT: SUMMARY REPORT OF INDUSTRIAL DEVELOPMENT BOARD,  
- TWELFTH SESSION (IDB-XII), FIRST WEEK, 16-19 MAY,  
1978

1. SUMMARY. PROCEDURAL MATTERS AND GENERAL DEBATE STATEMENTS TOOK UP BULK OF FIRST WEEK'S PLENARY SESSION (WEEK WAS SHORTENED BY AUSTRIAN HOLIDAY ON MONDAY). HOWEVER, DUE TO AD HOC ARRANGEMENT OF AGENDA BY THE EXPANDED BUREAU UNDER GUIDANCE BY CONFERENCE PRESIDENT, AMBASSADOR HOFFMANN OF FRG, DEBATE WAS COMPLETED AND CONCLUSIONS ADOPTED ON FOUR MINOR AGENDA ITEMS: 6(A), REGULAR PROGRAM OF TECHNICAL ASSISTANCE FOR 1979 AND 6(D), UN INDUSTRIAL DEVELOPMENT FUND; 7, PREPARATORY ARRANGEMENTS FOR THIRD GENERAL CONFERENCE OF UNIDO (LEFT PENDING WERE DRAFT PROPOSALS BY GROUP B AND THE USSR FOR CHANGES IN UNIDO-III'S AGENDA), 9, INTEGRATION OF WOMEN IN DEVELOPMENT; AND 10, NATURAL RESOURCES. POTENTIALLY CONTENTIOUS AGENDA ITEM 5, ADOPTION OF THE REPORT OF THE NINTH AND TENTH SESSIONS OF THE PERMANENT COMMITTEE, WAS RE-SCHEDULED FROM FRIDAY AFTERNOON TO MONDAY. END SUMMARY.

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2. GENERAL DEBATE STATEMENTS FOLLOWED THE TRADITIONAL PATTERNS. ALL GROUP D BOARD MEMBERS AND MOST GROUP D OBSERVERS (INCLUDING BYELORUSSIA AND THE UKRAINE) MADE LONG STATEMENTS DETAILING THEIR MANY COOPERATIVE EFFORTS WITH UNIDO AND THE SUCCESS OF THEIR ECONOMIES. G-77 COUNTRIES MAKING STATEMENTS STRESSED UNIDO PROJECTS OF

PECULIAR INTEREST TO THEM -- NOTABLY, FUNDING OF SIDFA'S FROM THE REGULAR BUDGET AND THE EXPANSION OF THE SYSTEM OF CONSULTATIONS. (THE SYSTEM OF CONSULTATIONS HAD OCCUPIED A PROMINENT PLACE IN THE EX-DIR'S OPENING REMARKS WHERE HE CHOSE TO CALL ATTENTION TO THE NEED FOR GLOBAL LEVEL MEETINGS ON FINANCING, INVESTMENT GUARANTEES, AND TRAINING.) AMBASSADOR PULIT OF ARGENTINA SAID THAT THE HIGHEST PRIORITY MUST BE GIVEN TO REDRESSING THE IMBALANCE BETWEEN DEVELOPED AND DEVELOPING COUNTRIES BY ESTABLISHING REALISTIC, PRACTICAL GOALS, WITH UNIDO STRESSING THE IMPORTANCE OF ITS OPERATIONAL SECTORS. JAYANAMA OF THAILAND UNDERLINED THE IMPORTANCE OF TRANSFER OF TECHNOLOGY FOR THE DEVELOPING COUNTRIES. THE CHINESE STATEMENT WAS AN ATTACK ON THE "TWO SUPER-POWER DOMINATION OF UNIDO", WITH THE BRUNT OF THE RHETORICAL ATTACK DIRECTED AT THE USSR. MOST GROUP B STATEMENTS WERE BRIEF. THE U.S.DEL, IN LINE WITH THE U.S. POSITION FAVORING THE ELIMINATION OF THE GENERAL DEBATE FROM THE IDB, DID NOT MAKE A STATEMENT.

3. AGENDA ITEM 6(A), REGULAR PROGRAM OF TECHNICAL ASSISTANCE FOR 1979; AND 6(B), UN INDUSTRIAL DEVELOPMENT FUND (UNIDF) PROGRAM FOR 1979 AND PLAN FOR 1979-80. BOTH ITEMS WERE MINOR. ITEM 6(A) HAD BEEN PROVISIONALLY APPROVED AT IDB-XI AND THE EX-DIR, HAVING MADE NO CHANGES IN THE PROPOSALS, WAS REQUESTING FORMAL APPROVAL. MOST INTERVENTIONS UNCLASSIFIED

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TIONS (EXCEPT FOR THAT OF THE USSR), ACCORDINGLY, CONCENTRATED ON ITEM 6(B), THE UNIDF. THERE WAS A GENERAL FEELING THAT, DESPITE THE CONTINUING UNCERTAINTY OF UNIDF FUNDING, MORE CONCRETE PROJECT PROPOSALS WERE REQUIRED. U.S. DEL'S STATEMENT REQUESTED, AS WELL, CLARIFICATION OF COORDINATION OF UNIDF PROJECTS WITH THE UNDP AND OF THE INCLUSION OF THE VARIOUS TRUST FUNDS IN UNIDF, AS HAD BEEN REQUIRED BY UNGA RES.31/202 ESTABLISHING THE FUND. CONCLUSIONS ON BOTH ITEMS WERE ADOPTED BY CONSENSUS, WITH THE FRG INFORMALLY REMINDING THE SECRETARIAT THAT APPROVAL OF PROPOSALS FOR 1980 WAS PROVISIONAL AND DEPENDED ON THE SUBMISSION OF CONCRETE PROJECT PROPOSALS AT PC-XI.

4. AGENDA ITEM 7, PREPARATORY ARRANGEMENTS FOR UNIDO-III. PRESIDENT HOFFMANN REMINDED THE CONFERENCE THAT, IN LINE WITH PARA 140 OF THE REPORT OF IDB-XI, A PROVISIONAL AGENDA FOR UNIDO-III WAS TO BE SUBMITTED FOR APPROVAL TO UNGA AT ITS THIRTY-THIRD SESSION. IN INTRODUCING THE ITEM, THE SECRETARIAT (PFLUCKER) SAID THAT THE EMPHASIS AT UNIDO-III SHOULD BE ON MEETING BASIC NEEDS, DEVELOPING RURAL INDUSTRIALIZATION, AND PROMOTING SELF-RELIANCE AMONG THE DEVELOPING COUNTRIES. MOST COUNTRIES MAKING STATEMENTS QUERIED

THE PROPOSED AGENDA AND ITS SUPPORTING DOCUMENTATION, WITH MANY SUGGESTIONS FOR ALTERATIONS. THE U.S.DEL REQUESTED AN ADDITION TO SUB-ITEM 8(B) OF THE AGENDA TO INCLUDE SPECIFIC REFERENCE TO UNIDO'S LONG-RANGE STRATEGY, QUERIED THE CONNECTION BETWEEN THE TWO DOCUMENTS LISTED FOR ITEM 7 -- THE EX-DIR'S REPORT AND THE JOINT STUDY ON INTERNATIONAL INDUSTRIAL COOPERATION AND NOTED THAT THERE SHOULD BE AVAILABLE AT PC-XI, IN ITS CAPACITY AS PREPARATORY COMMITTEE FOR UNIDO-III, A MORE PRECISE REPORT ON THE DOCUMENTATION TO INCLUDE PRELIMINARY CONCLUSIONS ON WHAT THE SECRETARIAT CONSIDERS TO BE THE LEADING ISSUES. A GROUP B

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ACTION IO-14

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HA-05 /110 W  
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R 240905Z MAY 78  
FM AMEMBASSY VIENNA  
TO SECSTATE WASHDC 6515

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DRAFTING GROUP PRODUCED A REVISED PROVISIONAL AGENDA WHICH WAS TO BE CIRCULATED TO THE OTHER GROUPS IN THE SECOND WEEK.

5. AGENDA ITEM 9, INTEGRATION OF WOMEN IN DEVELOPMENT. SURPRISINGLY, FIFTEEN INTERVENTIONS WERE MADE ON THIS ITEM, FOUR OF WHICH WERE BY WOMEN DELEGATES (U.S., ZAIRE, MEXICO AND PERU). U.S. DEL'S STATEMENT, WHILE EXPRESSING APPRECIATION FOR THOROUGHNESS AND FRANKNESS OF THE EX-DIR'S REPORT, EXPRESSED DISAPPOINTMENT AT THE SLOW PROGRESS IN THE LIMITED EFFORTS WHICH HAVE BEEN UNDERTAKEN.

6. AGENDA ITEM 10(I), NATURAL RESOURCES AND 10(II) TRANS-NATIONAL CORPORATIONS AND THE PROCESSING OF RAW MATERIALS. FEW INTERVENTIONS WERE MADE. USSR STATEMENT LASTED OVER TWENTY MINUTES AND GENERALLY ATTACKED TNC'S, NOTING IN GREAT DETAIL THE SOURCE OF THE FOOTNOTE IN DOCUMENT

ID/B/209 ON THE TNC'S AND THE LACK OF ANY CITING SOCIALIST LITERATURE ON THE SUBJECT. U.S.DEL STATEMENT ENCOURAGED CONTINUATION OF THE MANY EXAMPLES OF COOPERATION OF UNIDO WITH OTHER UN BODIES, EXPRESSED THE HOPE THAT THE UNIDO TASK FORCE ON ENERGY PROBLEMS WOULD APPROACH ITS WORK IN UNCLASSIFIED

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A REALISTIC MANNER WITH EMPHASIS ON MEETING THE SPECIFIC ENERGY NEEDS OF THE DEVELOPING COUNTRIES, AND NOTED THAT IN ADDITION TO A CODE OF CONDUCT FOR TNC'S A FAVORABLE INVESTMENT CLIMATE WAS NEEDED IN ORDER TO ATTRACT FOREIGN PRIVATE INVESTMENT.

7. AGENDA ITEM 5, ADOPTION OF THE REPORTS OF PC-IX AND PC-X, ORIGINALLY SCHEDULED FOR FRIDAY AFTERNOON WAS RESCHEDULED BY INFORMAL COMMON AGREEMENT TO MONDAY. PC-X REPORT REFERS QUESTION OF ESTABLISHING A JOINT UNCTAD/UNIDO EXPERT GROUP TO THIS SESSION OF BOARD FOR DECISION BUT GROUP B HOPES TO OBTAIN G-77 SUPPORT FOR DEFERRING MATTER UNTIL PC-XI. ADDITIONALLY, MANY GROUP B COUNTRIES REPORTED APPROACHES IN THEIR CAPITALS BY THE ISRAELIS REQUESTING INTERVENTION UNDER THIS AGENDA ITEM TO FURTHER PROTEST THE APPROVAL (BY VOTE - VIENNA 4447 ) OF TECHNICAL ASSISTANCE TO THE PALESTINIAN PEOPLE. ISRAELI AMBASSADOR DORON INFORMED MISSION HE HAD INSTRUCTIONS TO MAKE ANOTHER INTERVENTION ON THIS POINT. LEARY

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